

Letter from the Director
Kris Betta Calvin, AAP-CA CEO/Executive Director
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In this Director's Update:

1. **BUDGET WATCH: SUSPENSION OF MEDI-CAL REIMBURSEMENT**

Republican Abel Maldonado's break from party leadership yesterday to be the lone Senate Republican to vote for the state budget means the Senate is one vote short of the 2/3 needed for passage of the budget. However, that vote does not seem forthcoming any time soon.

The Republican leadership remains firm that more cuts to reduce the deficit must occur. Among the proposed cuts Senate Republicans suggest reducing funding for Medi-Cal managed care programs and curbing salary increases for county Medi-Cal administrators. Those reductions would save the state \$71.5 million in fiscal year 2007-008, but might well lead to higher costs in the long-run, if Medi-Cal eligible patients end up in the ER's as uninsured instead.

Unfortunately, the prolonged impasse over the budget has begun to have real effects. Reports indicate that suspension of Medi-Cal reimbursement has been triggered. The \$2 billion dollar reserve intended to pay Medi-Cal providers when a budget is stalled has been depleted in one month. As of this week, reimbursement checks are no longer being issued.

AAP-CA continues to monitor budget talks, which are now occurring at the level of top leadership.

WHAT YOU CAN DO:

If you are in Senator Maldonado's District, please call him, identify yourself as a constituent and thank him for voting for a responsible budget that supports children's needs. His district includes the counties of Santa Cruz, Monterey and San Luis Obispo, the southeast portion of Santa Clara County and the northern portion of Santa Barbara County. His Sacramento office number is 916-651-4015. (Maldonado took a great risk breaking from his party and has concerns for reelection.)

If you are in the District of any other Senate Republican, please call or fax them immediately and urge them to vote for the current budget on the table. Let them know that not having a budget will restrict access for our poorest children, as doctors and facilities that care for them go unpaid.

To view the Senate Republican roster to see whether your Senator is on it, go to the below site and scroll down:

http://www.cagop.org/index.cfm/about_state_senate.htm

2. WEBSITE DEVOTED TO CALIFORNIA HEALTH CARE REFORM NEWS

The nonpartisan California Healthcare Foundation has developed a website devoted to providing information on California's current health care policy debate and actions.

CalHealthReform.org was created "to help keep Californians up-to-date on the major proposals, analyses, hearings, and news." This includes information on AAP-CA supported AB 1 and SB 32 to expand children's health coverage.

To stay informed, go to

<http://www.calhealthreform.org/content/view/23/44/>

WHAT YOU CAN DO:

AAP-CA strongly supports AB 1 (Laird) and SB 32 (Steinberg). These two bills would expand eligibility for state and federally supported health care for children up to 300% of poverty, including the undocumented, building on the local Children's Health Initiatives (CHIs). Both bills head next to the fiscal committees in their second house. Please contact your legislator and let them know you are calling as a constituent and as an AAP-CA member and that you urge them to vote for AB 1 and SB 32 when they come before them in committee or on the floor.

To find out who your state legislators are and how to contact them, go to <http://ca.lwv.org/lwvc/edfund/repwho/>

3. SCHIP BILL PASSES HOUSE WITH FULL FUNDING; SENATE WITH LESS: VETO THREATENED

It is estimated that an additional \$50 billion is needed for the next 5 years to support the SCHIP program nationwide. The Senate last night passed funding with a \$35 million augmentation to SCHIP. The House passed the full \$50 billion the night before.

The vote in the House was largely on party lines, with only 8 House Republicans not casting an oppose vote—5 of those voted for the funds, and 3 did not vote.

The President has indicated that he will veto these bills, arguing that they represent an expansion of a state-run bureaucracy and a movement of health care away from the private, commercial sector. The Senate bill passed by a "veto-proof" margin, but the House bill did not.

WHAT YOU CAN DO:

Stay tuned for action options on how to continue to support full funding for SCHIP. (Strategies to prevent or overturn a veto are being developed as well, to support maximum funding as the two houses reconcile their disparate bills through the conference committee process.)

That's it for now. Thanks for your interest in the AAP-CA's efforts on your behalf.

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